



County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

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May 23, 2011

To: All Department Heads
From: William T Fujioka
Chief Executive Officer

CONTRACTING PROCEDURE – COST OF LIVING ADJUSTMENT CAP FOR SERVICES CONTRACTS FY 2011-12: GENERAL SALARY MOVEMENT FOR COUNTY EMPLOYEES FY 2010-11

On January 29, 2002, the Board of Supervisors adopted a revised County policy for cost of living adjustments (COLAs) for multi-year services contracts (Policy No. 5.070 of the Board of Supervisors Policy Manual). The revised policy provides that a COLA adjustment, if incorporated in services contracts, be capped at the lesser of:

- The most recently published percentage change in the Bureau of Labor Statistics, Los Angeles-Riverside-Orange County, Consumer Price Index for Urban Consumers (CPI-U) for the 12-month period preceding the contract anniversary date; or
- The general salary movement percentage for County employees for the 12-month period preceding the prior July 1st.

With regard to the general salary movement number, the pertinent figure in any fiscal year (FY) will always be determined by a retrospective look at the prior fiscal year. For example, contract COLA adjustments in FY 2011-12 will be calculated in light of general County salary movement in FY 2010-11. Likewise, COLA adjustments in FY 2012-13 will be calculated based on general County salary movement in FY 2011-12.

This is to confirm that there are no general salary adjustments in the County's various memoranda of understanding applicable to FY 2010-11. Therefore, there should be no COLA adjustments taking effect in FY 2011-12. A separate determination will be made next year with regard to COLA adjustments taking effect on or after July 1, 2012.

"To Enrich Lives Through Effective And Caring Service"

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If you have questions, please contact me or your staff may contact Napoleon Valera at (213) 893-2259 or James Hazlett at (213) 974-1148, respectively.

WTF:BC:JA
MTK:NV:mst

c: Each Supervisor
Administrative Deputies
County Contracting Network (via e-mail)

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